to release 1 crore LPG connections during the year 2000 to clear all waiting list registered with the distributors of PSU Oil Companies as on 1-12-1999.

Exemption of Sales Tax for RPL

2394. SHRI MD. SALIM:
SHRI NILOTPAL BASU:
SHRI DIPANKAR MUKHERJEE:
SHRI JIBON ROY:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Reliance Petroleum Limited (RPL) is exempted from sales tax payment by the State Government of Gujarat for 17 years;

(b) if so, whether RPL has still been allowed to charge sales tax on public sector oil companies even though the same is not deposited; and

(c) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI E. PONNUSWAMY): (a) to (c) M/s. Reliance Petroleum Limited been granted provisional eligibility certificate under the Sales Tax Incentive Scheme of the Government of Gujarat. The scheme permits an eligible certificate holder to avail sales tax exeption benefit for 16 years or sales tax deferment benefit for 17 years or composite scheme of exemption and deferment for 16 years subject to conditions laid out in the scheme. M/s. RPL have opted for composite scheme. As per the scheme, RPL can charge sales tax under applicable sales tax laws of the State Government and the Central Sales Tax Act, 1956, and RPL is billing the applicable sales tax on the sales of petroleum products to the oil marketing companies.

Setting up of a LNG terminal in Gujarat

2395. SHRI C. RAMACHANDRAIAH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Petronet LNG will be responsible for setting up a huge Rs. 2,950 crores terminal for import of 5 million tonnes (TPA) in Gujarat;

(b) if so, the reasons for selecting Gujarat for this project;

(c) how does Petronet LNG propose to finance this project;

(d) whether pre-qualified bidders are supposed to arrange offshore credit;

(e) to what extent will this project be useful to States like Andhra Pradesh; and

(f) the details of utility of this project?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI E. PONNUSWAMY): (a) to (c) Yes, Sir. To meet the demand of consumers in Gujarat and along the GAIL's HBJ pipeline, Petronet LNG is setting up an LNG terminal of 5 million tonnes per annum capacity at Dahej in Gujarat. The project is proposed to be financed with 70:30 debt equity ratio.

(d) Yes, Sir.

(e) and (f) Transportation of the re-gasified natural gas from Dahej terminal through pipeline to Andhra pradesh is not considered economically viable. The project will help to bridge the gap between demand and availability of gas for the power, fertilizer and other sectors in Gujarat and along HBJ pipeline system.

'Exploration of natural gas in Jaisalmer district, Rajasthan

†2396. SHRI ONKAR SINGH LAKHAWAT: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state what steps are being taken or proposed to be taken for exploitation of production of natural gas through underground gasification process and for the development of infrastructure thereof in Tanot, Dandewala and Bagitiba regions of Jaisalmer district and for Plentiful reservoirs of oil of Bikaner -Nagore regions and Barmer and Jallore districts of Rajasthan?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI E. PONNUSWAMY): The product of underground gasification is not natural gas but. "syn gas', which is generally a mixture of carbon mono-oxide, hydrogen, methane, carbon dioxide and nitrogen etc. Gas Authority of India Limited (GAIL) has signed a memorandum of understanding with the State Goverment of Rajasthan in October, 1998 to carry out a study on the feasibility of application of underground gasification technologies in Barmer-Sanchor areas and to undertake a pilot project.

Based on the existing size of discoveries and the available technology, the commercial exploitation of heavy crude oil reserves of Bikaner-Nagore basin is not techno-economically viable.

†Original notice of the question was received in Hindi.